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UNCLAS VIENNA 003269

SIPDIS

SENSITIVE

DEPARTMENT FOR EUR/AGS

E.O. 12958: N/A

TAGS: PGOV AU
SUBJECT: CONSERVATIVES LOSE GOVERNORSHIP OF STYRIA
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THIS MESSAGE IS SENSITIVE BUT UNCLASSIFIED.

11. (SBU) SUMMARY: In the state election in Styria on October 2, Chancellor Schuessel's conservative People's Party (OVP) suffered a significant defeat at the hands of the opposition Social Democrats (SPO). The OVP failed to hold Styria's governorship for the first time in the post-World War II era. A populist City Councilor from the state capital of Graz led the Communist Party (KPO) to a third-place finish - a showing based much more on personal charm than on ideology. The Greens managed to hold onto their three seats in the state legislature. The right-wing Freedom Party (FPO), the "Alliance Future Austria" (BZO) of Carinthian governor Joerg Haider, and an independent list headed by OVP renegade Hirschmann all failed to make the cut for the legislature. End Summary. (U) vote pct., (change from 2000), legislature seats **¶2.** OVP 38.7 (-8.6) 24 SPO 41.7 (+9.4) 25 Greens 4.7 (-0.9)3 KPO 6.3 (+5.3) FPO 4.6 (-7.8)BZO 1.7 (-)

Mann

Hirsch- 2.0

(-)

Electorate: 929,795 Voter Turnout: 75.6 Percent

13. (SBU) OVP politicians assigned the blame for their defeat to dissident Gerhard Hirschmann's muckraking campaign. Hirschmann, a former Styrian OVP Party Manager, accused his former colleagues of malfeasance in scandals concerning mismanagement in the Styrian power company, fraudulent use of state subsidies for a game park owned by a prominent aristocratic family, as well as supposed OVP payoffs to convince Hirschmann not to run in the election. In the end, the charges appeared to backfire, hurting Hirschmann as well as his erstwhile colleagues. While Styrian Governor (and OVP state chairwoman) Waltraud Klasnic appeared to be losing control, SPO candidate Franz Voves coasted to victory with a press-the-flesh campaign and feelgood singalongs.

- 14. (SBU) The Greens lost some ground after a rather bland campaign by their top candidate but defended their three seats. The Communists benefited from the personal appeal of the mild-mannered, grandfatherly Graz City Councilor Ernest Kaltenegger. The Styrian ballot was the first one since the Freedom Party split. The "old" FPO lost two-thirds of its support, missing the threshold for representation in the state parliament. BZO chairman Haider's heavy involvement in the Styrian campaign did not help. The result confirmed nationwide polls which show the BZO at only two to three percent.
- 15. (SBU) COMMENT: Haider's new spinoff party, BZO, has failed to establish itself anywhere other than on his home turf in Carinthia. While the election turned on local issues, the losses come as a blow to both federal coalition partners. OVP and BZO are likely to perform poorly in two more state elections to follow in October, in Burgenland and Vienna. As a result of the Styrian election, the federal coalition also loses its majority in Parliament's Upper House, or Bundesrat, composed of representatives of the federal states. The Bundesrat has no veto, but can delay bills for up to six weeks.